

TO: Chief Elected Officials
Steering Committee
WIB Chairs
WIB Directors

FROM: Craig E. Hartzer
Commissioner

DATE: June 22, 2001

SUBJ: DWD Communication: 2000-38
Final PY'01 WIA Allocations

RE: Workforce Investment Act

Purpose

To provide the final Program Year 2001 (PY'01) Title I-B Adult, Dislocated Worker, and Youth Workforce Investment Act (WIA) allocations.

Rescission

DWD Communication 99-45, released May 10, 2000

Content

The Department of Workforce Development (DWD) is announcing the PY'01 Title I-B Adult, Dislocated Worker, and Youth WIA allocations. Each funding source is discussed below:

Adult

The national adult WIA appropriation is \$950,000,000, the same level as PY'00. Indiana's allotment is \$10,825,762 or an increase of \$268,165 or 2.54% from PY'00. Funds available from DOL July 1 will be \$2,712,138 with the balance becoming available October 1. Of the funding available for adults, not more than 15% may be reserved for statewide activities. Mandatory statewide employment and training activities include: disseminating the list of eligible training, OJT, and customized training providers; conducting evaluations of activities; providing incentive grants; providing technical assistance to local areas for failing standards; assisting in the establishment and operation of the one-stop system; and operating a fiscal and management accountability information system.

The State followed Section 133(b)(2)(A)(i) of WIA in formula allocating funding for adult activities to each chief elected official. Final adult allocations are provided in the attachment. The following data were used in computing the allotments:

- The number of unemployed for Areas of Substantial Unemployment (ASUs) are averages for the 12-month period, July 1990 through preliminary June 2000;

- The number of excess unemployed individuals or the ASU excess (depending on which is higher) are averages for the same 12-month period used for ASU unemployed data; and
- The number of economically disadvantaged adult data (age 22 to 72, excluding college students and military) are from the 1990 Census. 2000 Census data are not expected to be available for use until PY'03 allotment calculations.

Also, the State applied the hold harmless provision contained in Section 133(b)(2)(A)(ii.) The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90% of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the WIA Adult allocation:

- The allocations are available for obligation beginning July 1, 2001.
- WIA adult cost limitations are allocation-based.
- Funds allocated to a local area under WIA Sections 128(b) and 133(b), for any program year, are available for expenditure only during that program year and the succeeding program year.
- Local administration is limited to a maximum of 10 percent.
- A WIB may transfer up to 20% of the adult allocation and up to 20% of the dislocated worker allocation between the two programs. The Governor's approval must be provided before making any such transfer. WIBs may not transfer funds to or from the WIA year-around youth program.

Dislocated Worker

The national dislocated worker appropriation is \$1,590,040,000, an increase of \$1,015,000 or .06% from the PY'00 level. Indiana received an allotment of \$10,682,428, an increase of \$179,955 or 1.71% from the PY'00 allotment. Funds available from DOL July 1 will be \$3,560,989 with the balance becoming available on October 1. Of the funding available for dislocated workers, not more than 25% may be reserved for statewide rapid response activities and not more than 15% may be reserved for statewide activities. Statewide rapid response activities include assistance to local areas, which experience disasters, mass layoffs or plant closings, or other events, which increase the numbers of unemployed individuals, as well as rapid response activities. Please see the Adult section of this communication document for the appropriate use of the 15% reserved for statewide activities.

The State followed Section 133(b)(2)(B)(i) of WIA in allocating funds for activities for dislocated workers to each chief elected official. Final dislocated workers allocations are provided in the attachment. The legislation mandates the factors that must be used in the local formula but permits States discretion in determining data sources and weights assigned each factor. Local input on the dislocated worker allocation formula was obtained through a workgroup convened to provide recommendations on the dislocated worker program in Indiana. The following data were used in computing the allotments:

Data Used to Compute PY'01 WIA Dislocated Worker Allocations

Allocation Factor	Date Source & Time Period	Weight
Insured Unemployment Data	- Annual report of unemployment compensation claimants - Calendar Year 2000	30%
Unemployment Concentration Data	- Labor force for counties report - July 1999 to June 2000	30%
Plant closing & Mass Layoff Data	- Plant closure/Mass layoff report - July 1999 to June 2000	15%
Declining Industries Data	- County employment patterns report - Calendar Year 1999 and baseline year data	10%
Farmer/Rancher Economic Hardship Data	- Census of Agriculture – County Data Report of farms with net cash return gains - Calendar Year 1998 and baseline year data	5%
Long-Term Unemployment Data	- Annual report of unemployment compensation claimants with 15 or more weeks claimed - Calendar Year 2000	10%

Reallotment of dislocated worker funds to States, as provided for by Section 132(c) of WIA, is based on completed program year expenditure reports submitted by the States. Reports from States received after October 1, 2001 may not be reflected in the calculations for dislocated worker reallotment. Such allotments will be adjusted upward or downward, based on whether the State is eligible to share in reallotted funds or is subject to recapture of funds.

The following are important facts concerning the WIA Dislocated Worker allocation:

- The allocations are available for obligation beginning July 1, 2001.

- WIA dislocated worker cost limitations are allocation-based.
- Funds allocated to a local area under WIA Sections 128(b) and 133(b), for any program year, are available for expenditure only during that program year and the succeeding program year.
- Local administration is limited to a maximum of 10%.
- A WIB may transfer up to 20% of the adult allocation and up to 20% of the dislocated worker allocation between the two programs. The Governor's approval must be provided before making any such transfer. WIBs may not transfer funds to or from the WIA year-around youth program.

Youth

The national youth WIA appropriation is \$1,377,965,000 (including \$275 million for Youth Opportunity grants.). Excluding the amounts required for national youth activities under WIA, the amount that is available for allotments to States are \$1,082,975,612, an increase of 10.19% from PY'00. Indiana's allotment is \$13,604,901, an increase of \$2,590,617 or 23.52% from PY'00. Of the funding available for youth, not more than 15% may be reserved for statewide activities. Please see the Adult section of this communication document for the appropriate use of the 15% reserved for statewide activities. The State followed Section 128(b)(2)(A)(i) of WIA in formula allocating funding for youth activities to each chief elected official. Final youth allocations are provided in the attachment. The following data were used in computing the allocations:

- The number of unemployed for Areas of Substantial Unemployment (ASUs) are averages for the 12-month period, July 1999 through preliminary June 2000;
- The number of excess unemployed individuals or the ASU excess (depending on which is higher) are averages for the same 12-month period used for ASU unemployed data; and
- The number of economically disadvantaged youth (age 16 to 21, excluding college students and military) are from the 1990 Census. 2000 Census data are not expected to be available for use until PY'03 allotment calculations.

Also, the hold harmless provision contained in Section 128(b)(2)(A)(ii) was enacted. The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90% of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the WIA Youth allocation:

- The allocations are available for obligation beginning July 1, 2001. (Limited exceptions for obligation to begin April 1, 2001 were based on PY'00 expenditure rates.) **DWD will allow no exceptions for local areas to obligate funds beginning April 1, 2002.**
- Cost limitations for WIA youth allocations are allocation based.
- Funds allocated to a local area under WIA Sections 128(b) and 133(b), for any program year, are available for expenditure only during that program year and the succeeding program year.
- Local administration is limited to a maximum of 10%.

The following documents have been published to assist with the youth program:

- The *WIA Youth Request For Proposal (RFP) Guide* was published on January 3, 2001. The Guide is intended to assist local areas with the youth procurement process. The Guide was prepared by the Sar Levitan Center for Social Policy Studies at Johns Hopkins University under a contract with the U. S. DOL. Web address: http://www.doleta.gov/youth_services
- Training and Employment Guidance Letter No. 9-00, *Workforce Investment Act of 1998, Section 129 – Competitive and Non-competitive Procedures for Providing Youth Activities Under Title I*. Web address: <http://www.doleta.gov/readroom.asp>
- Training and Employment Information Notice No. 5-00, *Integrating Year-Round and Summer Employment and Training Services for Youth Under the Workforce Investment Act (WIA): A Technical Assistance Guide*. Web address: <http://www.doleta.gov/readroom.asp>
- Training and Employment Guidance Letter No. 18-00, *Program Guidance for Implementation of Comprehensive Youth Services under the Workforce Investment Act*. Web address: <http://www.doleta.gov/readroom.asp>

Block Grant

DWD will again issue a block grant to each chief elected official incorporating the following funds. The block grant instructions will be issued in the near future.

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| \$ 5,000 | For local capacity building and technical assistance. It must be used for this purpose and can not be used for strategic planning (from the 15% statewide setaside). |
| \$ 7,000 | To support the Local Community Response position for local rapid response (from the Rapid Response 25% reserve). |

\$ 63,287	Flexible grants for the local Information Resource Area (IRA) counselor and Unemployment Insurance (UI) claimant profiling. The amount will be reduced by \$41,000 for those areas that used a state merit staff person for the second IRA counselor. This is the last year in which DWD will fund the local merit IRA counselor. In PY'02 WIBs may employ a second IRA counselor, but the funding will not be provided by DWD (\$63,287 comes from the 15% statewide setaside).
<u>\$ 75,000</u>	For strategic planning (from the 15% statewide setaside). WIBs may draw down this funding once the \$75,000 available in PY'00 has been drawn down. Funding for strategic planning will end with the PY 01 allocation.
\$150,287*	TOTAL

* - corresponding reduction for those areas that used a state merit employee as the second IRA counselor.

Information concerning the block grant is provided:

- The \$7,000 designated to support the Local Community Response position for local rapid response may not be used for any other purpose.
- The \$63,287 is for the local IRA counselor and UI claimant profiling. The specific amounts designated for each purpose is determined locally. However, employing an IRA counselor and providing UI claimant profiling services must be provided with the funding.
- To access the \$75,000 for regional strategic planning, the Workforce Investment Board Chair must submit a letter of intent to the State Human Resource Investment Council evaluating the region's strategic plan to-date (including goals and benchmarks achieved, changes in the plan due to lessons learned, etc.) and also describing the process and timeframe to be used for the continuation of the regional strategic planning during PY'01. The areas that share a planning region must plan jointly.

Please send the regional strategic plans to Timothy J. McGann, Executive Director, State Human Resource Investment Council; Indiana Government Center South; 402 West Washington, Room W076; Indianapolis, IN 46204 with a copy to Thom Heeter, Planning Analyst, Department of Workforce Development, 10 North Senate Avenue, Indianapolis, Indiana 46204.

Questions concerning the allocations may be addressed to Jennifer Biddle, Planning Analyst, at 317/232-7459.

Effective Date

July 1, 2001 for WIA adult, youth, and dislocated workers.

Ending Date

June 30, 2004 for WIA adult, youth, and dislocated workers.

Action

Local administrators are instructed to distribute the information contained in this policy to appropriate staff.

Attachment
CEH: JMB/policy.doc